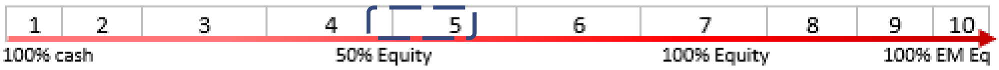
RICHMOND HOUSE
INVESTMENT MANAGEMENT

RHIM INCOME MODEL FACTSHEET

The RHIM Income model aims to produce a yield in the region of the FTSE All Share and modestly grow the capital over the medium term. The model is likely to experience similar volatility to the IA sector given that it stays fully invested within income producing assets throughout the cycle. This is a multi-asset global income portfolio with an equity weight between 40% and 55% which will include overseas equity exposure, balanced with at least 35% in fixed interest and property as deemed appropriate. Asset allocation will be actively managed whilst maintaining a balanced risk profile. Income generated can be withdrawn or reinvested. Investors should be comfortable with periods of volatility, although this is expected to be less than a pure equity portfolio. Withdrawing income will reduce growth potential. The model will sit in profile 5 on a scale of 1-10, where 1 is cash and 10 is 100% high risk equity markets. Please see the reverse for historical volatility and peak to trough data.

Risk Rating

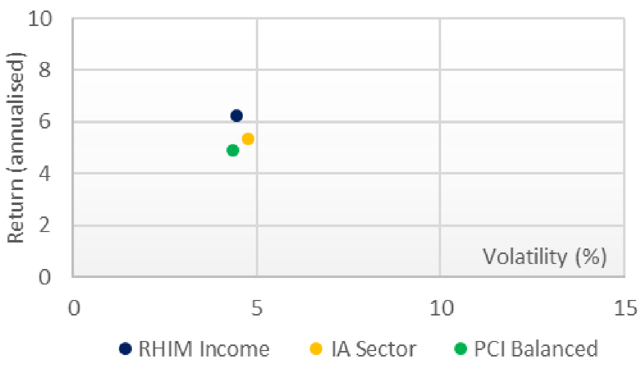


OCTOBER 2018 UPDATE

Commentary

October was a negative month for equities with the FTSE 100 falling 4.9%. There were few places to hide as bonds also delivered negative returns. After several years of very strong returns from equity markets, higher interest rates in the US and some growth concerns relating to China and the Eurozone are causing some volatility. Trade wars between China and the US have also effected sentiment. So, whilst markets rose strongly at the start of this year, the summer has been more volatile. We have been actively reducing European equity exposure since late 2017 and have very little exposure to Asia or emerging markets in this model; areas that have been under pressure this year. That said, emerging markets are looking increasingly attractive due to their lower valuations on a longer term view, particularly those not sensitive to China's growth trajectory, and Schroder Asia Income, which is a 3% holding has performed strongly in comparison with its broader peer group. We have initiated a small position in a gold fund this summer as downside risks have increased. Over the last 12 months Polar Capital Global Convertibles, RWC Enhanced Income and Newton Global Income stood out, each delivering over 6%. With interest rates and government bond yields rising this year, it has been a tough year for fixed income. The short duration exposure; Royal London Global Short Duration High Yield and TwentyFour Absolute Return Credit have delivered cash-like returns as we expected, but remain very sheltered from any pick-up in risks in within high yield, or have been very resilient against a back drop of higher bond yields.

Risk Return (5 years)



Performance (Cumulative)

	1 year	5 years	10 years	Since Inception
RHIM Model	-0.98%	27.82%	123.70%	81.46%
IA Sector	-1.85%	22.81%	88.71%	55.75%
PCI Return	-1.4%	20.7%	75.9%	58.18%

Performance Chart since inception

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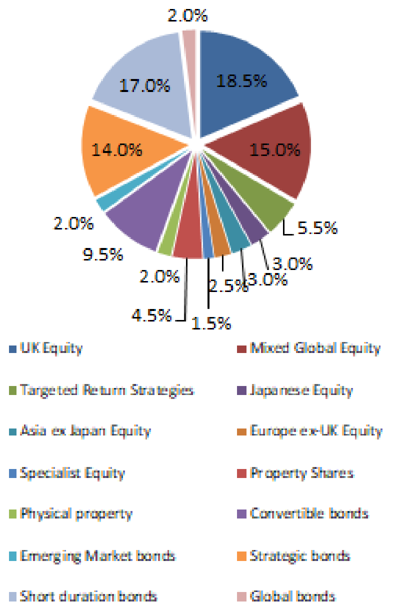
Key Facts	RHIM Income
Launch Date	1st January 2007
IA Sector	IA 20-60% Sector
Private Client Index (PCI)	PCI Balanced Index
RHIM Fee	0.5% + VAT
No. Holdings	21
Historical Yield	3.5% (as at 30.06.18)

The Historic Yield reflects distributions declared over the past twelve months as a percentage of the valuation as at the date shown. Investors may be subject to tax on their distributions.

Asset allocation



Risk Statistics - Data as at 30th September	Annualised Return	Annualised Volatility	Worst Peak to Trough
RHIM Model – 3 years	6.75%	4.08%	-4.89%
IA Sector	*7.03%*	*4.60%*	*-6.16%*
RHIM Model – 5 years	6.22%	4.45%	-6.78%
IA Sector	*5.36%*	*4.75%*	*-9.44%*
RHIM Model – since inception	5.47%	7.45%	-24.04%
IA Sector	*4.11%*	*6.75%*	*-23.57%*

Risk
Higher-risk investments tend to experience greater volatility, which means they are likely to go up and down in value more often and by larger amounts than lower-risk investments. In return, higher-risk investments have the potential to produce higher returns over the long term, although this is not guaranteed. If you do not understand the risks involved with the portfolio it is important that you seek clarification from your Financial Adviser before making an investment.

This Factsheet
This factsheet demonstrates the exposure, characteristics and performance of the named RHIM model. Your actual portfolio may differ depending on your individual circumstances. All features described in this fact sheet are current at the time of publication and may be changed in the future.

Currency
Some funds will hold overseas assets and as a result will also have exposure to overseas currencies. Exchange rates can fluctuate and may cause the value of the investment to rise or fall.

Investment Term
It is generally accepted that equity investments should be regarded as long term investments and should be held for a minimum of five years, ideally longer. Your time horizon and capacity for loss are important considerations when selecting the most appropriate RHIM model.

Property Funds
The value of property is generally a matter of a valuer's opinion which may not be readily realisable. There are liquidity risks associated with investing in property whereby encashments may be delayed waiting for properties to be sold.

Performance
It should be noted that past performance is not necessarily a guide to future performance. The price of shares/units and income from them may fall as well as rise and is not guaranteed. RHIM Performance illustrated is net of fund charges, but does not include Richmond House Investment Management discretionary management fees, nor fees that may be incurred through your Financial Adviser. PCI returns are net of the Discretionary Manager charges and use provisional data.